



**National Watershed Coalition
1023 Manvel Ste. D
P. O. Box 556
Chandler, Oklahoma 74834**

**Testimony of
Michael L. Sykes
Romney, West Virginia
National Watershed Coalition Chairman**

**Presented to the
Subcommittee on Conservation, Credit, Rural Development and Research
of the Committee on Agriculture
U. S. House of Representatives**

December 6, 2005

Mr. Chairman and Members of the Subcommittee

I am Michael L. Sykes, Chairman of the National Watershed Coalition (NWC). The NWC is an alliance of national, regional, state, and local organizations and individuals that have a common interest in advocating the use of watersheds as the planning and implementation unit when dealing with natural resource issues.

It is a privilege for me to present this testimony, and we thank the chairman for holding this hearing to review the United States Department of Agriculture's Watershed Program. The Coalition would like to also express our appreciation to Congressman Lucas for his continued interest in the Watershed Program and for his leadership efforts with the rehabilitation of aging watershed dams.

My home state of West Virginia has been a leader in the watershed program from its inception. The Potomac River Watershed Project was one of the original 11 projects authorized by PL-534 in 1944. We have 33 authorized watershed projects that have 167 dams constructed in them. These projects provide \$34 million in benefits annually. Besides flood control they also provide 76 domestic water supply systems, and recreation for an estimated 832,000-visitor days/year. Over 1.1 million people benefit from these projects in WV; almost two-thirds of the state's residents!

I personally have seen and heard about the impacts these projects have had on many people's lives in West Virginia. As Watershed Management Director for the West Virginia Conservation Agency, my staff and I are responsible for working in conjunction with conservation districts, who are the local sponsors of these projects, on the operation and maintenance of these 167 dams, many miles of channels, and other measures in these projects. As these dams get older,

this is a tremendous task. And as more people move in downstream from these dams, they also are becoming even more of an important part of the local public infrastructure.

As NWC chairman, I also have the opportunity to talk to many watershed project sponsors and others involved in watershed management and to visit watershed projects across the nation. I have seen the flexibility of the watershed program demonstrated by the many diverse resources that are being addressed by innovative means. I have seen the many benefits of watershed projects in many states and I know the challenges these communities are facing.

Background on the USDA Watershed Program

The USDA Watershed Program, administered by the Natural Resources Conservation Service (NRCS), is a proven and successful program that other programs are modeled after because it works. The program is a true partnership between local communities, and state and federal government agencies working together to solve natural resource issues. These partners working with landowners have established flood control measures, conservation practices, fish and wildlife habitat, recreational areas, water supplies and land and water management systems that conserve and protect natural resources and improve the quality of living for thousands of Americans.

Watershed projects are planned and implemented by local people who serve as project sponsors, with assistance from the USDA Natural Resources Conservation Service. The projects are authorized and funded through the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566) and the Flood Control Act of 1944 (Public Law 78-534).

The flood protection provided by the watershed projects has made it possible to farm thousands of acres of productive cropland that once flooded so often that it was not economical to farm. Watershed projects protect thousands of homes and lives from dangerous floods. It only takes a look back in history in any of these watershed projects to realize how much they have improved the quality of living for the people and how they have protected and improved the natural resources, as well as provided a stable economic base for many small rural communities.

The program has the flexibility to meet many natural resource needs. While many of the earlier projects were organized for flood and soil erosion control, there are projects today that are meeting other needs such as: the Lower Hamakua Ditch Watershed Project on the Island of Hawaii that is reestablishing an agricultural irrigation water system; the New York City Watershed Project where land treatment work will help New York City maintain a high quality water supply; and the Middle Suwannee River Watershed Project in Florida that is helping landowners better manage animal waste to protect water quality. There are other projects that are dealing with acid mine drainage, development of recreational areas and helping communities develop a municipal water supply.

The USDA Watershed Program is a popular program across the country because it solves problems by addressing them on a watershed basis. Requests for assistance greatly exceeds the funds appropriated each year. Through 2,000 watershed projects the watershed partnership has established a \$15 billion national infrastructure that is providing multiple benefits valued at \$1.5 billion annually to over 48 million people (see chart in appendix).

Watershed Program Funding and Related Issues

The NWC is extremely concerned about the continuing decline in funding for the USDA Watershed Program. Following the mid-west floods of the early 1990s congressional appropriators in conjunction with NRCS, determined that funds for the recovery effort should come from this program. Watershed sponsors were told that appropriators would restore funding levels the following year. The actions taken were a significant milestone in the demise of adequate funding to meet documented needs. The decisions made, actions taken, and the failure to restore funding to pre-1994 levels still haunts the Watershed Program's efforts today.

We urge you to examine the Administration's budget proposals for the watershed program as compared to the actual appropriation for the program by Congress. While we are pleased that Congress has chosen to fund the program at a higher level than requested by the Administration, appropriations have not kept pace with documented needs. (See chart, page 9).

While adequate funding for the program is a top priority for the NWC and equals program viability, there are other issues within the funding and allocation process that must be addressed. We must preface our analysis and opinions by saying that we do not begrudge any watershed sponsor funding for their planned and approved project be it earmark or otherwise. However we believe that the earmark culture is out of control within the Watershed Program. In recent budgets the aggregate of individual earmarks has exceeded the appropriation by 20 to 30%!! Sponsors know that in order to get their project implemented they must not only meet all of the federal guidelines, regulations, review and permitting processes but they must also secure an earmark.

While earmarks carry a negative connotation to the public and wreak havoc with planning and administration of the program they have become the rule rather than the exception for project funding. Congress and the Department/Agency need to open a dialog aimed at restoring order to the planning and funding process. What does Congress desire from the program? What are the Agency's expectations?

Earmarking in excess of 100% of the appropriations is symptomatic of an administrative or philosophical disconnect. The fallout from this disconnect makes it extremely difficult for the heart and soul of this program, the local watershed project sponsors, to function. It disrupts their ability to plan, budget, and secure and obligate local funds. It has a demoralizing effect on those who have planned, much-needed projects, but lack an aggressive Congressional representative with the savvy and position to earmark. It places the local sponsor's credibility on a roller coaster ride as they try to secure local funding, easements and contracts only to find that politics has changed the playing field. They must then delay plans or cancel agreements and promises made concerning project implementation. Maintaining the dwindling skilled watershed/engineering staff of NRCS, who sponsors depend on for technical assistance, becomes difficult when the budget levels fluctuates wildly from year to year due to earmarks.

We do not naively believe earmarks will go away. We strongly urge representatives of Congress to open a discussion with the Administration aimed at restoring order to the appropriations process as it relates to the USDA Watershed Program. We believe this hearing is a good start toward that effort. We urge you to not just treat the symptoms that earmarking represents but to change the earmark culture and restore viability and credibility through a cooperative effort between branches of government. Restoring order to the appropriations process should also encourage more enthusiastic leadership, improved morale and an increase in quality management for the program in the agency.

Modernizing and Streamlining the USDA Watershed Program

At the Ninth National Watershed Coalition Conference NRCS Chief Bruce Knight issued a challenge to Coalition members to assist in reshaping the watershed program for the coming 50 years. We are proud of the past and much work remains. The Coalition has invested serious time and effort into developing suggestions for reshaping the program and its administration for efficiency and effectiveness in the future. We are also excited about the rehabilitation component of the program and the protection of property, life, human health and safety it will provide.

Key to this revitalization coming to pass is recognition of the economic and environmental value of the program. A commitment from Congress to adequately fund the program and an equally important commitment from the Department/Agency to administer the program based on watershed science; quality planning and technical assistance is critical. Only then will the flexibility and range of opportunities to address current and future water resource issues that lie within the program's authorizing legislation be realized.

The Watershed Program has been able to adapt to many changing societal and political objectives during the past 61 years. Today's challenges are much different than those when the eleven initial watershed projects were first authorized by the Flood Control Act of 1944. Downsizing of the Federal workforce, delivery of Farm Bill programs, homeland security concerns, emergency preparedness for natural and terrorist disasters, and concerns for the growing federal deficits forces us to reevaluate the way we all do business. Adjustments are needed to address these changing issues and improve the effectiveness and efficiency of the watershed program. These adjustments will help maintain the credibility of the program while recognizing the reality of today's Federal, state, and local situations.

As an example, we compliment the NRCS Chief for working to get the Emergency Watershed Protection Rules revised to include the authority to use EWP funds and assistance in the repair of previously installed measures funded through the watershed program as well as for the purchase of floodplain easements downstream from constructed watershed dams. This type of action to modernize, streamline, and adapt the program to meet current and future needs is what has kept the program effective over the past 61 years.

The National Watershed Coalition would offer to enter into a serious dialogue with NRCS leadership and representatives of this subcommittee to discuss suggestions for modernizing and streamlining the watershed program. We offer the following list that represents the highlights of our suggestions for adjustments needed to improve the watershed program. Some will require statutory changes, while we believe others could be adopted as policy administratively.

Improvements and actions that should be implemented administratively:

- In cooperation with sponsors evaluate the backlog of remaining project measures not yet installed in watershed projects to identify the viable remaining measures and take action to terminate those that are not viable. Some of the remaining project measures were planned decades ago and are no longer viable due to changing land use conditions, unavailability of land rights, or lack of local support to implement. This effort would help identify the true backlog of needs. Develop a systematic procedure to address the huge program commitment (currently stated by NRCS at over \$1.8 billion).
- Establish NRCS policy that would provide incentives and target EQIP funds for measures within approved PL 534/566 watershed projects. Use the watershed plan for the identification and evaluation of resource needs and implement the measures with

EQIP funds in locally assigned target areas. This would take advantage of the efficient delivery timeline record of the EQIP program and would use the limited watershed program funds for purposes that are unique to the watershed program (such as flood control, municipal and industrial water supply, water-based recreation and rehabilitation of aging dams). Using the provisions unique to the watershed program in conjunction with Farm Bill programs will result in the following benefits, efficiencies or advantages:

- Extensive economic, environment, and social evaluations that include public and interagency reviews.
 - Measures are generally installed on private land, but would also provide community benefits (i.e. flood control, sediment reduction, public recreation, municipal and industrial water supply, etc.).
 - Improved measurable results of Farm Bill funding since identified resource problems would be treated within a specific watershed, rather than random implementation across the county.
 - Magnified benefits (i.e. will obtain all of the on-farm benefits of the existing Farm Bill practices as well as protect community benefits such as sediment control to extend the life of projects that provide flood control, water supply, and public recreation).
 - Public safety benefits added to the more conventional Farm Bill Program benefits. Conservation easements (Grassland Reserve, Farm and Ranchland Preservation, healthy Forests, and Wetland Reserve Programs) could provide a mechanism to manage floodplains and control future development downstream from flood control dams. This would keep people out of harms way and reduce the need to rehabilitate aging dams to meet current dam safety criteria (a much more cost effective way to protect the public; the average cost rehabilitating a watershed dam is more than \$1 million. If future development in the breach inundation area can be controlled, it will eliminate the need for costly dam upgrades).
- Allow cost share rates to the maximum allowed by the Act (not what is restricted by NRCS policy). This will result in an opportunity to increase some cost-share rates for purposes that are already authorized in the act, including structural measures and reservoir storage for municipal and industrial water supply.
 - Improve oversight on projects selected for funding by improving accountability for committed performance after funds are received (all watershed projects) and reviewing and confirming computation of risk indexes (rehabilitation projects).

Improvements that may need statutory revisions before they can be implemented:

- Provide authorization and funding for breach inundation studies and assistance for preparation of emergency action plans for high hazard dams originally constructed as a part of a watershed project.
- Authorize federal cost-share on control of development below existing low hazard dams or relocation of at-risk properties located downstream of high hazard dams as a part of existing PL-566 projects.
- Eliminate statutory limits on maximum size (dollar amount and reservoir storage) without congressional committee review and approval.

- If Congress desires that its review and approval be retained, revise statutory language to assure the Congressional committee that appropriates the funds for the projects also authorizes the projects.
- Allow use of conservation easements as a cost share alternative to address natural resource issues.

We see many states where the ability to deliver watershed planning and implementation has been seriously diminished by the downsizing of NRCS watershed staffs. This is a trend that needs to be halted. These states have complementary programs that provide a portion of the financial assistance, but still depend on NRCS for technical assistance. We do not believe Technical Service Providers (TSPs) are the answer for the Watershed program

Watershed Rehabilitation

As you know Congress authorized the USDA Natural Resources Conservation Service (NRCS) to assist communities in rehabilitating their aging watershed dams when it enacted the Small Watershed Rehabilitation Amendments of 2000. Under the leadership of Mr. Lucas this came about as a result of the initiative of watershed project sponsors, the excellent partnership that exists between the sponsors, landowners, community leaders, state conservation agencies, state dam safety agencies, and NRCS and the foresight of Congress in protecting an important national infrastructure. The act pertains to flood control dams built under the Flood Control Act of 1944 (Public Law 78-534), the Watershed Protection and Flood Prevention Act of 1954 (Public Law 83-566), Resource Conservation and Development, and a pilot watershed program (1952-1954).

Communities with watershed projects have enjoyed a 50-year tradition of protecting lives and property and conserving natural resources. Eleven thousand dams and associated conservation practices have been constructed in 2,000 watershed projects in 47 states since 1948.

Major Rehabilitation Issues for Watershed Sponsors

As sponsors consider the future of their projects they face several major issues, among those are:

- Most of the watershed dams were constructed with a designed or expected life span of 50 years. There are 457 watershed dams that already exceed their design life and that number will grow to 4,410 within ten years.
- Some dams no longer meet current dam safety standards. Many dams were originally constructed to protect rural agricultural land and now there are homes, highways and other structures downstream that would be at risk if the dam failed. There are 1,700 high hazard dams and 2,000 more that were designed as low hazard, but are now classified as high hazard due to potential loss of life or property.
- Although sponsors have usually maintained the dams in good condition, components such as metal and concrete components of the principal spillway in some dams have deteriorated over the years and need replacement. Some have filled with sediment, reducing the floodwater storage. Most sponsors don't have the money to replace these components and bring the dam up to current dam safety standards.

- While most of the dams are safe, there are some that pose a threat to public health and safety if they should fail, especially to those who live or work downstream, or those who use the reservoirs as a source of drinking water. Some dams also have the potential for creating adverse environmental impacts in the same downstream flood plain they have been protecting.

Accomplishments

Tremendous progress has been made by the cooperative efforts of NRCS and project sponsors in the five years since the Rehabilitation Amendments were passed. By 2005, 134 rehabilitation projects had been funded in 21 states. As of January 2005, 38 projects have been completed, 27 were authorized and are being implemented, and 67 were in the planning stage. Many more were completed this calendar year.

A few examples of successful projects include:

The Martinez Creek Dam No. 5 in Bexar County, Texas, was rehabilitated because the dam was constructed in 1964 to protect rural agricultural land and today there are 99 residential, four public and three commercial properties located downstream within the area that would be inundated if the dam should fail. A dam failure would put these properties and 500 people in danger as well as anyone traveling on Kitty Hawk road.

The White Tanks Watershed Dam No. 3 in Maricopa County, Arizona, was rehabilitated because of continuing problems in the earthen fill of the dam since its construction in 1954. Over 800 homes and businesses and 6,000 people would be affected if the dam failed, including 2,400 female inmates and 400 employees at the Perryville State Prison.

Yellow River Watershed Dam No. 14 in Gwinnett County, Georgia, was rehabilitated by constructing a roller compacted concrete spillway over the dam. The dam was built in 1968 and since that time the population of the county has increased from 73,000 to 625,000 and urban development has occurred both upstream and downstream from the dam. There are 45 homes and two state highways in the dam breach zone.

Rehabilitation of these and many other dams is not only ensuring the dams remain safe and continue to provide multiple benefits to communities, but also extends the life of the dams for another 100 years.

Sponsors are meeting their responsibilities in the rehabilitation projects by working with landowners, obtaining easements and land rights, and providing thirty-five percent of the cost of the projects. Sponsors have been innovative in obtaining their share of the cost by obtaining money through bonds, county budgets, state park divisions, state appropriations, municipal taxing authority, watershed taxing authority, and in-kind services.

The Need For Rehabilitation

The need for rehabilitation is increasing and will not go away. Like roads, bridges or other infrastructure, the \$15 billion infrastructure created by the 2,000 watershed projects must be protected and maintained.

Eight hundred and eighty of the almost 11,000 watershed dams in the nation will need rehabilitating in the next five years at a cost of \$566 million. These numbers will continue to increase as the dams get older and more people live downstream from the dams. Current funding authorization expires in 2007.

Challenges

The number of aging dams that will need rehabilitation in the near future continues to increase. Local project sponsors face new liabilities with the aging dams and there are an increasing number of low-hazard dams that are becoming high-hazard dams. Sponsors will face difficulties in obtaining new land rights and easements for rehabilitation projects. And even with 65 percent of the cost being provided by NRCS, many sponsors with a large number of dams will have difficulty in securing their 35 percent of the cost.

Opportunities to Streamline, Improve, and Continue Rehabilitation

The rehabilitation program has been operating for five years and is working well. We believe the program is well designed and has proven to be effective and is meeting the objectives of rehabilitating those high priority dams (ranked according to potential for dam failure, consequences for dam failure, state dam safety agencies recommendations, and rapid implementation).

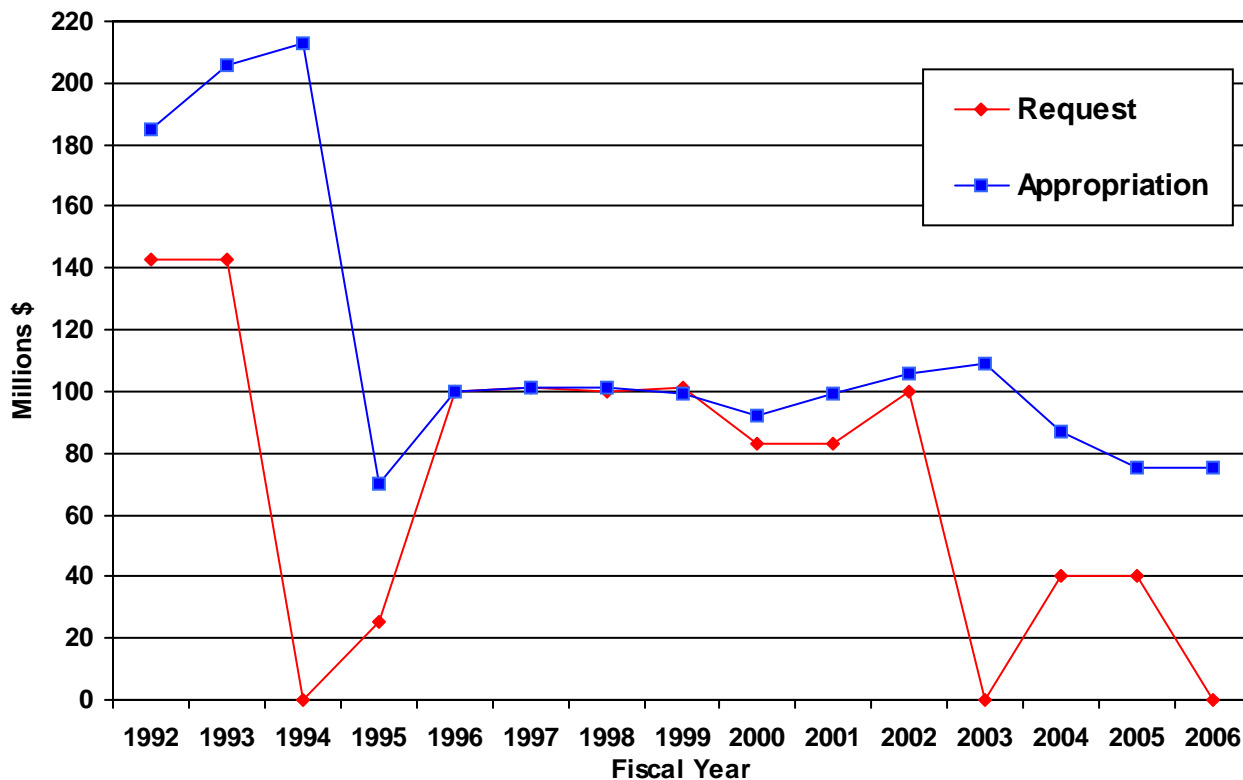
- The primary challenge for the future is obtaining adequate funding. Authorization for the funding expires in 2007. This is a major concern of the Coalition and watershed sponsors across the nation that are working to obtain bond money and other local financing for their 35 percent of the cost of rehabilitation projects. If Congress does not reauthorize the funding, many sponsors will be left with projects planned and ready to contract without out federal funding. The Coalition recommends that funding be reauthorized at least at the 2007 funding level.
- The annual requests for funding far exceed the appropriated funds. Less than 40 percent of the funding authorized by Congress in the 2002 Farm Bill has been appropriated. All opportunities for funding should be considered, such as the use of CCC funds authorized by Congress in the 2002 Farm Bill, but not yet utilized.
- Selection of projects and accountability must be maintained. The priority system was established to ensure the highest priority projects are funded first and this system needs to be maintained with adequate oversight to ensure all states are following and interpreting the guidelines alike. Continued quality management at the NRCS national and state level is essential.
- Methods should be explored to fund rehabilitation of low hazard dams that do not protect human life, but is critical to protect the downstream floodplain that is important to the community's economic base.
- The federal cost share should be raised (lower the sponsors share) on rehabilitation projects.
- Allow adding specific new purposes to rehabilitation projects (such as water supply and wetland or wildlife habitat improvement) to existing dams approved for rehabilitation using rehabilitation funds at 65% federal cost share rate. This would allow and encourage communities to address other resource needs while protecting human health and safety.
- Streamline the planning process for rehabilitation projects by not requiring the National Economic Development Plan (NED) when population at risk is involved downstream from existing low hazard dams and there are no objections to environmental or social issues. There is similar statute language already included some Corps of Engineer's

environmental restoration programs. This provision should also be considered for new watershed projects that are predominately related to restoration, preservation, or protection of the ecosystem.

Again, we appreciate the sub-committee's invitation to bring our views, concerns and suggestions about the watershed program to this hearing.

Charts and Graphs:

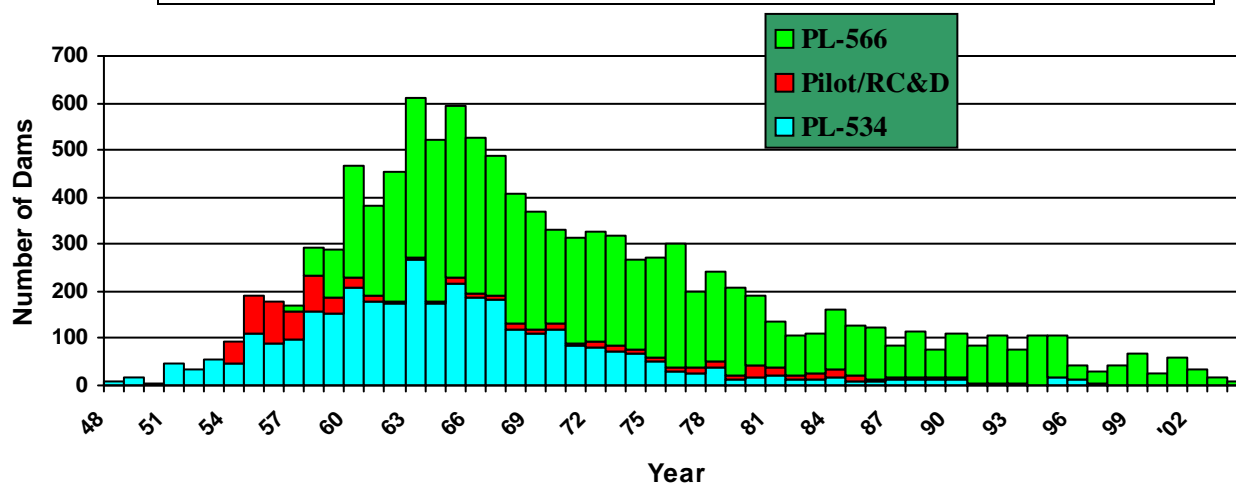
**Watershed & Flood Prevention Operations Administration's
Budget Request vs. Final Appropriation**



Rehabilitation Funding History (Millions of dollars)			
	Discretionary Authorized*	CCC Authorized*	Actual Funding
2003	\$45	\$45	\$29.8
2004	\$55	\$50	\$29.6
2005	\$65	\$55	\$27.5
2006	\$75	\$60	\$31.5
2007	\$85	\$65	
Total	\$325	\$275	\$118.4

*Funding authorized for rehabilitation in the 2002 Farm Bill.

Dams Constructed by Year



Annual Watershed Program Benefits*

Agricultural flood damage reduction	\$273 million
Non-agricultural flood damage reduction	\$389 million
Agricultural benefits (non-flood)	\$331 million
Non-agricultural benefits (non-flood)	\$520 million
Total monetary benefits	\$1.5 billion
Number of bridges benefited	58,238
Number of farms and ranches benefited	176,013
Number of businesses benefited	46,606
Number of public facilities benefited	3,606
Number of homes benefited	607,140
Acres of wetlands created or enhanced	273,562
Acres of upland wildlife habitat created or enhanced	9,102,759
Miles of streams with improved water quality	4,4185
Reduction of annual sediment (tons)	5,8695,895
Tons of animal waste properly disposed	4,096,168
Tons of soil saved from erosion (tons/year)	89,177,859
Water conserved (acre feet/year)	1,806,121

*Figures taken from the Natural Resources Conservation Service Program Operations Information Tracking System (POINTS) database.

**Committee on Agriculture
U.S. House of Representatives
Required Witness Disclosure Form**

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2003.

Name: Michael L. Sykes

Address: National Watershed Coalition Home Office
P. O Box 556 Chandler OK 74834

Telephone: 405-627-0670

Organization you represent (if any): National Watershed Coalition

1. Please list any federal grants or contracts (including subgrants and subcontracts) you have received since October 1, 2003, as well as the source and the amount of each grant or contract. House Rules do NOT require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:

Source: _____ Amount: _____

Source: _____ Amount: _____

2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) the organization has received since October 1, 2003, as well as the source and the amount of each grant or contract:

Source: USDA-Natural Resources Conservation Service / 2003* Amount: \$110,000

Source: USDA-Natural Resources Conservation Service / 2004* Amount: \$110,000

Source: USDA-Natural Resources Conservation Service / 2005* Amount: \$109,120

*Cooperative agreements to produce products and services for watershed project sponsors and for use by NRCS.

Please check here if this form is NOT applicable to you: _____

Signature: (Dan A. Sebert, Executive Director, National Watershed Coalition)

*** Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.***

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

**Committee on Agriculture
U.S. House of Representatives**

Information Required From Non-governmental Witnesses

House rules require non-governmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

1. **Name:** Michael L. Sykes
2. **Business Address:** WV Conservation Agency, Watershed Management Director, Romney Field Office, HC 63, Box 535, Romney, WV 26757
3. **Business Phone Number:** (304) 822-8845
4. **Organization you represent:** National Watershed Coalition
5. **Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee:**

I have 25 years of experience in working with watershed projects for local watershed project sponsors. I have worked in all phases of the program on the local sponsor side. I started the watershed operation and maintenance program in WV and have shared my experience nationally as a member of the National Watershed Coalition operation and maintenance (O&M) training team.

From my beginning as a hands-on field man for watershed O&M, I have advanced to my current position serving in a management capacity that includes, but is not limited to, oversight of O&M, landrights, new construction and rehabilitation contracting. I have also taken the lead for organizing and starting numerous local watershed associations in WV.

I have served as the WV representative to the National Association of Conservation Districts Ohio River Basin task force, the Potomac River Headwaters water quality initiative and the WV Chesapeake Bay water quality work group.

I have held several leadership positions with the NWC including committee chair for the Operation and Maintenance, Repair and Rehabilitation committee, program chair for the 2005 national NWC meeting, as well as the elected positions of vice-chairman and chairman. I reside in Romney, WV with my wife Kim.

6. **Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:**

See statement above

7. **If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:**

Chairman of the National Watershed Coalition

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.